



Committee On Finance

Max Baucus, Ranking Member

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Baucus Applauds Rural Hospital Funding Increases Resulting from Medicare Rx Bill *Hospital Payments Started April 1, Increase of Approx. \$12 B over Next Ten Years*

(Washington, D.C.) U.S. Senator Max Baucus today hailed the additional \$12 billion that will aid rural and small urban hospitals over the next ten years as a result of the Medicare prescription drug legislation passed last November. The increased payments began on April 1.

As Ranking Member of the Senate Finance Committee, Baucus played a leading role during the writing and passage of the Medicare Prescription Drug and Modernization Act, which will help ensure that America's seniors have access to more affordable prescription drugs.

"Throughout the Medicare prescription drug negotiations, strong protections for rural America and rural seniors were always my line in the sand," Baucus said. "It was vital that we provided America's seniors with prescription drug benefits, but it was just as important that rural America's hospitals and doctors received the assistance they need to provide top-notch care.

"I'm very proud to see the fruits of our labor beginning to be received by our nation's hospitals. An additional \$12 billion in funding over the next ten years will make a big difference to hospitals across the country," Baucus added.

The Medicare prescription drug legislation benefits rural hospitals in a number of ways, including leveling the playing field for rural America by making sure that rural hospitals and urban hospitals receive equal base rates for all inpatient procedures.

The bill also increased payments to Critical Access Hospitals, which are small, rural hospitals that provide life saving care to people who live long distances from larger hospitals. Baucus wrote the Critical Access Hospital law in 1997. There are now over 800 Critical Access Hospitals Nationwide, including over 35 in Baucus's home state of Montana.

Disproportionate Share Hospitals (DSH), which care for an unusually large share of low-income Medicare patients, also received assistance under the bill. While rural DSH hospitals formerly received a maximum 5.25 percent add-on for serving these patients, last year's Medicare bill increased that cap to 12 percent.

"I was honored to be a part of the creation of the remarkable Medicare prescription drug benefit legislation and look forward to watching and overseeing the continued implementation of the bill as it provides real, on-the-ground benefits to our healthcare system and to our nation's seniors," Baucus added.

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